

Methods and Standards for Establishing Payment Rates for Inpatient Hospital Care

To become certified for substance abuse treatment, an in-state substance abuse unit may be certified for Medicaid reimbursement if the unit's program is licensed by the department of public health as a substance abuse treatment program. In addition to documentation of the license, an in-state hospital must submit documentation of the specific substance abuse programs available at the facility with a description of their staffing, treatment standards, and population served. An out-of-state substance abuse unit may be certified for Medicaid reimbursement if it is excluded from the Medicare prospective payment system as a psychiatric unit pursuant to 42 Code of Federal Regulations, Sections 412.25 and 412.27, as amended to September 1, 1994. An out-of-state hospital requesting reimbursement as a substance abuse unit must initially submit a copy of its current Medicare prospective payment system exemption notice, unless the facility had certification for reimbursement as a substance abuse unit before July 1, 1993. All out-of-state hospitals certified for reimbursement for substance abuse units must submit copies of new Medicare prospective payment system exemption notices as they are issued, at least annually.

A neonatal intensive care unit may be certified for Medicaid reimbursement if it is certified as a level II or level III neonatal unit and the hospital where it is located is accredited by the Joint Commission on Accreditation of Healthcare Organizations or the American Osteopathic Association. The Medicaid fiscal agent shall verify the unit's certification as a level II or level III neonatal unit in accordance with recommendations set forth by the American Academy of Pediatrics for newborn care. Neonatal units in Iowa shall be certified by the department of public health. Out-of-state units shall submit proof of level II or level III certification.

Psychiatric Intensive Care Services

Acute psychiatric intensive care services. Services that meet the criteria at 441—subrule 78.3(8) shall be reimbursed as follows:

1. Services provided in a psychiatric unit certified pursuant to paragraph 79.1(5)“r” will be paid based on the hospital-specific per diem rate as calculated pursuant to subparagraph 79.1(5)“i”(1) plus 42.59% for covered days billed with the appropriate psychiatric intensive care revenue code and procedure code.
2. Services not provided in a psychiatric unit certified pursuant to paragraph 79.1(5)“r” will be paid based on the hospital-specific DRG payment rate as calculated pursuant to paragraph 79.1(5)“b” plus an add-on per diem rate of \$520.47 for covered days billed with the appropriate psychiatric intensive care revenue code and procedure code.